

1040 (Form 1040) (12/15)	
ADVERSARY PROCEEDING COVER SHEET (Instructions on Reverse)	ADVERSARY PROCEEDING NO.
PLAINTIFF(S) Allan B. Mendelsohn, Esq., as Chapter 11 Trustee of the Estate of Sprout Mortgage LLC	DEFENDANT(S) Michael Strauss, Recovco Mortgage Management LLC, Midland American Capital Corporation, Sprout Membership Holding, LLC, Sprout Preferred Holdings, LLC, Cleek Investment Holding, LLC, Smart Rate Mortgage LLC, Investor Funding Corp., Elizabeth Strauss, Katherine Strauss, Jane Strauss, and Katherine Strauss LLC
ATTORNEY(S) (Firm Name, Address, Telephone No.) John E. Westerman, Esq.; Todd M. Gardella, Esq. and William C. Heuer, Esq. Westerman Ball Ederer Miller Zucker & Sharfstein LLP 1201 RXR Plaza Uniondale, New York 11556; 516.622.9200	ATTORNEY(S) (If Known)
PARTY (Check One Box Only) <input type="checkbox"/> Debtor <input type="checkbox"/> U.S. Trustee <input type="checkbox"/> Creditor <input checked="" type="checkbox"/> Trustee <input type="checkbox"/> Other	PARTY (Check One Box Only) <input type="checkbox"/> Debtor <input type="checkbox"/> U.S. Trustee <input type="checkbox"/> Creditor <input type="checkbox"/> Trustee <input checked="" type="checkbox"/> Other
CAUSE OF ACTION (Write a brief statement of cause of action, including all U.S. statutes involved.) Plaintiff brings this action pursuant to 11 U.S.C. §§ 105(a), 502(d), 542, 543, 544, 548, 550 and 551, 28 U.S.C. §§ 157(b)(2)(A), (B), (C), (E), (H) and (O)	
NATURE OF SUIT Action commenced by Trustee to avoid and recover fraudulent transfers from Sprout Mortgage LLC to related entities and insiders, including the Defendants; for turnover of property; for an accounting; for injunctive relief and for other relief.	
FRBP 7001(1) – Recovery of Money/Property <input checked="" type="checkbox"/> 11 – Recovery of money/property - § 542 turnover of property <input type="checkbox"/> 12 – Recovery of money/property - § 547 preference <input checked="" type="checkbox"/> 13 – Recovery of money/property - § 548 fraudulent transfer <input checked="" type="checkbox"/> 14 – Recovery of money/property – other FRBP 7001(2) – Validity, Priority or Extent of Lien <input type="checkbox"/> 21 – Validity, priority or extent of lien or other interest in property FRBP 7001(3) – Approval of Sale of Property <input type="checkbox"/> 31 – Approval of sale of property of estate and of a co-owner - § 363(h) FRBP 7001(4) – Objection/Revocation of Discharge <input type="checkbox"/> 41 – Objection/revocation of discharge - § 727(c), (d), (e) FRBP 7001(5) – Revocation of Confirmation <input type="checkbox"/> 51 – Revocation of confirmation FRBP 7001(6) – Dischargeability <input type="checkbox"/> 66 – Dischargeability - § 523(a)(1), (14), (14A) priority tax claims <input type="checkbox"/> 62 – Dischargeability - § 523(a)(2), false pretenses, false representation, actual fraud <input type="checkbox"/> 67 – Dischargeability - § 523(a)(4), fraud as fiduciary, embezzlement, larceny (continued next column)	FRBP 7001(6) – Dischargeability (continued) <input type="checkbox"/> 61 – Dischargeability - § 523(a)(5), domestic support <input type="checkbox"/> 68 – Dischargeability - § 523(a)(6), willful and malicious injury <input type="checkbox"/> 63 – Dischargeability - § 523(a)(8), student loan <input type="checkbox"/> 64 – Dischargeability - § 523 (a)(15), divorce or separation obligation (other than domestic support) <input type="checkbox"/> 65 – Dischargeability – other FRBP 7001(7) – Injunctive Relief <input type="checkbox"/> 71 – Injunctive relief – imposition of stay <input checked="" type="checkbox"/> 72 – Injunctive relief – other FRBP 7001(8) – Subordination of Claim or Interest <input type="checkbox"/> 81- Subordination of claim or interest FRBP 7001(9) – Declaratory Judgment <input type="checkbox"/> 91 – Declaratory judgment FRBP 7001(10) – Determination of Removed Action <input type="checkbox"/> 01 – Determination of removed claim or cause Other <input type="checkbox"/> SS-SIPA Case – 15 U.S.C. §§ 78aaa et seq. <input checked="" type="checkbox"/> 02 – Other (e.g., other actions that would have been brought in state court if unrelated to bankruptcy case)
<input checked="" type="checkbox"/> Check if this case involves a substantive issue of state law <input type="checkbox"/> Check if a jury trial is demanded in complaint	<input type="checkbox"/> Check if this is asserted to be a class action under FRCP 23 Demand: \$ 20,000,000+
Other Relief Sought: Avoidance of Transfers under State Law; Accounting; Disallowance of Claims; Equitable Line: Unjust Enrichment; Conversion; Constructive Trust	

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BANKRUPTCY CASE IN WHICH THIS ADVERSARY PROCEEDING ARISES

NAME OF DEBTOR In re: Sprout Mortgage LLC		BANKRUPTCY CASE NO. 23-72433 (REG)	
DISTRICT IN WHICH CASE IS PENDING Eastern District of New York		DIVISION OFFICE Central Islip, New York	NAME OF JUDGE Robert E. Grossman
RELATED ADVERSARY PROCEEDING (IF ANY)			
PLAINTIFF	DEFENDANT		ADVERSARY PROCEEDING NO.
DISTRICT IN WHICH ADVERSARY PROCEEDING IS PENDING		DIVISION OFFICE	NAME OF JUDGE
SIGNATURE OF ATTORNEY (OR PLAINTIFF) /s/ Todd M. Gardella		PRINT NAME OF ATTORNEY (OR PLAINTIFF) John E. Westerman, Esq. Todd M. Gardella, Esq. William C. Heuer, Esq.	
DATE February 16, 2024			

INSTRUCTIONS

The filing of a bankruptcy case creates an "estate" under the jurisdiction of the bankruptcy court which consists of all of the property of the debtor, wherever that property is located. Because the bankruptcy estate is so extensive and the jurisdiction of the court so broad, there may be lawsuits over the property or property rights of the estate. There also may be lawsuits concerning the debtor's discharge. If such a lawsuit is filed in a bankruptcy court, it is called an adversary proceeding.

A party filing an adversary proceeding must also complete and file Form 104, the Adversary Proceeding Cover Sheet. When completed, the cover sheet summarizes basic information on the adversary proceeding. The clerk of court needs the information to process the adversary proceeding and prepare required statistical reports on court activity.

The cover sheet and the information contained on it do not replace or supplement the filing and service of pleadings or other papers as required by law, the Bankruptcy Rules, or the local rules of court. The cover sheet, which is largely self-explanatory, must be completed by the plaintiff's attorney (or by the plaintiff, if the plaintiff is not represented by an attorney). A separate cover sheet must be submitted to the clerk for each complaint filed.

Plaintiffs and Defendants. Give the names of the plaintiffs and defendants exactly as they appear on the complaint.

Attorneys. Give the names and addresses of the attorneys, if known.

Party. Check the most appropriate box in the first column for the plaintiffs and the second column for the defendants.

Demand. Enter the dollar amount being demanded in the complaint.

Signature. This cover sheet must be signed by the attorney of record in the box on the second page of the form. If the plaintiff is represented by a law firm, a member of the firm must sign. If the plaintiff is pro se, that is, not represented by an attorney, the plaintiff must sign.